

Message Text

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14

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SUBJECT: ZAGREB FALL FAIR

REF: A. STATE 206994 B. STATE 197427

1. FOLLOWING INFORMATION ON ZAGREB FALL FAIR IS TO ASSIT IN
PRESENTATION BEFORE STANDING COMMITTEE.

2. ZAGREB FALL FAIR IS YUGOSLAVIA'S LARGEST AND MOST PRESTIGIOUS
FAIR WITH (1973) 6300 EXHIBITS, 270,000 SQ METERS (INSIDE AND
OUTSIDE) OF LEASED EXHIBITION SPACE, 300,000 PRODUCTS EXHIBITED. OF
THESE 170,000 WERE YUGOSLAV MANUFACTURED REPRESENTING 1300
YUGOSLAV ENTERPRISES, A RANGE OF PRODUCTS WHICH GIVE US
EXPORTERS MATCHELSS OPPORTUNITY FOR ANALYZING LOCAL COMPETITION
AND MARKET REQUIREMENTS. ONLY 11 U.S. SUBSIDIARIES EXHIBITED IN
1973. A RANDOM SAMPLING OF REACTION REVEALED FULL SATISFACTION
WITH RESULTS. CHAMPION SPARK PLUGS (ACCORDING TO REPRESENTATIVES -
PROGRES BELGRADE) WAS "VERY SATISFIED" WITH RESULTS OF BOTH
SPRING/FALL FAIRS AND IS PALNNING TO PARTICIPATE IN 1974. OMNIKOMERO
OF BELGRADE, REPRESENTING CATERPRILLER S.S.A. OF GENEVA USED ZAGREB
FALL FAIR FOR EXHIBIT OF NEW MODELS FOR MARKET PENETRATION. FIRM
CALUCULATES IT MADE OVER \$300,000 WORTH OF SALES. 3M REP "VELEBIT"
OF ZAGREB SAID THEY WERE VERY SATISFIED WITH 1973 FAIR AND ONLY
PROBLEM WAS THEY UNABLE OBTAIN ENOUGH MACHINES FOR DISPLAY FROM PARENT.

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3. WHEREAS FAIR IS BEING EXPLOITED BY ALL OUR MAJOR TRADING PARTNERS THE RELATIVE PAUCITY OF U.S. INDIVIDUAL/COMPANY SUBSIDIARY REPRESENTATION (11 OUT OF 3600) SHOWS A LACK OF APPRECIATION FOR COMMERCIAL POSSIBILITIES IN THIS FAIR. FRG, USSR, ITALY ALL HAVE LARGE WELL-EQUIPPED PAVILLIONS AND WITH THOROUGHLY SALES ORIENTED SHOWS. SOVIETS IN 1973 VIRTUALLY ABANDONED IMAGE CONSIDERATIONS FOR COMMERCIAL IMPACT.

4. ZAGREB IS ONLY FAIR WHICH REGULARLY ATTRACTS IMPORTANT REPRESENTATIVES FROM BANKS, REPUBLICAN CHAMBERS OF ECONOMY AND BUSINESS LEADERSHIP GENERALLY, INCLUDING GENERAL DIRECTORS OF ALL MAJOR YUGOSLAV ENTERPRISES. THE ZAGREB FAIR AUTHORITY HAS EXCELLENT REPUTATION AS EFFICIENT AND HELPFUL IN ASSISTING FOREIGN BUSINESSMEN TO LOCATE RIGHT CONTACTS. FAIR AUTHORITIES HAVE ASSURED THE EMBASSY THAT U.S. EXHIBITORS IN COMMERCIALY BASED U.S. SHOW IN 1974 CAN EXPECT FULL ASSISTANCE FROM FAIR STAFF. US BUSINESSMEN CAN EASILY NEGOTIATE ALMOST ANY TYPE OF AGREEMENT FROM BEGINNING TO END WITHOUT HAVING TO LEAVE FAIRGROUND SITE. IN ADDITION ZAGREB FIRM INTERPUBLIC WITH WHOM DOC HAS WORKED WITH GREAT SUCCESS THROUGHOUT EURPE AND MIDDLE EAST ASSURES THAT US EXHIBITORS CAN COUNT ON EXCELLENT COST EFFECTIVE SUPPORT BY HIGHLY EXPERIENCED FIRM. ALTHOUGH NO STATISTICS AVAILABLE, EMBOFFS HAVE OBSERVED LARGE NUMBERS OF EAST EUROPEAN REPS AND TRADERS DURING FAIR TIME AND EACH EE COUNTRY MOUNTS NATIOANL EXHIBIT. ZAGREB FAIR MAY INDEED SUPPLY SINGLE BEST AVENUE FOR INTRODUCING US GOODS TO EE MARKETS GENERALLY, NOT JUST YUGOSLAVIA.

5. THERE ARE NO STATISTICS AVAILABLE ON ACTUAL FLOOR SALES AND CONCEPT OF PROJECTED SALES NOT YET DEVELOPED HERE. HOWEVER, GEMANY ECONOMIC COUNSELOR STATEE EMPHATICALLY THAT ZAGREB FALL FAIR FAR TRANSCENDS IN IMPORTANCE ANY OTHER EE FAIR IN OPTION FRG GOVERNMENT. THUS MANUFACTURERS EXHIBITING IN LARGE GERMAN PAVILLION RETURN YEAR AFTER YEAR DESPITE FACT THAT INDIVIDUAL GERMAN COMPANIES IN GENERAL HAVE CONSIDERABLY GREATER EXPOSURE AND EXPERIENCE IN YUGOSLAV MARKET THAN DO MOST U.S. COMPANIES. IN THIS CONNECTION, YUGOSLAVS HAVE FREQUENTLY COMPLAINED ABOUT LACK OF DIRECT CONTACT WITH U.S. BUSINESSMEN.

6. USIS SHOW ON ENVIRONMENTAL PROTECTION IN 1973 WAS A GREAT SUCCESS; DESPITE IMAGE ORIENTATION OF SHOW, THE POLLUTION THEME UNCLASSIFIED

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IS TOPICAL, INTERESTING AND FULL OF COMMERCIAL POTENTIAL. PRINCIPAL ATTRACTION WAS HARDWARE FEATURED BY 54 FIRMS WHICH GAVE SHOW FAR GREATER TECHNICAL ORIENTATION AND APPEARS TO HAVE SPURRED YUGOSLAV ENVIRONMENTAL GROUPS TO DEVELOP PRACTICAL INVESTMENT SUGGESTIONS. FOR EXAMPLE, 40 TRADE LEADS WERE GENERATED BY A REPRESENTATIVE OF 12 PLANTS IN ZAGREB LACKING WASTE TREATMENT FACILITIES. APART FROM PUBLIC ACCLAIM, COMMERCE-SPONSORED BDO REPORTED REMARKABLY GOOD RESULTS.

SHOW GENERATED OVER 550 TRADE LEADS. EMBASSY UNDERSTANDS THAT THESE RESULTS COMPARE EXTREMELY FAVORABLY WITH INTEREST THIS SAME SHOW ELICITED IN BRNO.

7. BDO RESULTS WERE EXCEPTIONAL AND ARE THE STRONGEST ARGUMENT WE KNOW FOR FULLER COMMERCE PARTICIPATION IN 1974. TURNING TO SPECIFICS, WE CAN THINK OF THREE THEMES WHICH WOULD RESPOND TO FAST GROWING INFRASTRUCTURAL NEEDS. FOR INSTANCE, US EQUIPMENT FOR POWER INDUSTRY. NEEDS WILL BE SPURRED IF KRSKO AND SOSTANJ CONTRACTS ARE AWARDED IN NEAR FUTURE AS EXPECTED, THUS OPEINING UP EXCITING PROSPECTS FOR US, SUPPLIERS, PARTCIULARLY IN VIEW FACT THAT SERIOUS SHORTFALLS IN ELECTRIC GNERATING CAPACITIES IN THE DEVELOPED REPUBLICS WILL PROBABLY NECESSITATE HEAVY DEPENDENCE ON DIESEL GENERATORS IN SMALL AND MEDIUM SIZED FACTORIES FROM NOW THROUGH 1976. OTHER THEMES WORTH CONSIDERING ARE EQUIPMENT FOR ROAD AND PORT CONSTRUCTION, AND TECHNOLOGY FOR SINGLE HOUSING UNITS. ANY OF THESE THEMES WILL GAIN FAR GREATER EXPOSURE AT THE ZAGRB FALL FAIR THAN THEY WILL IN OTHER YUGOSLAV FAIRS AND WE SUSPECT OTHER EAST EUROPEAN FAIRS AS WELL.
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